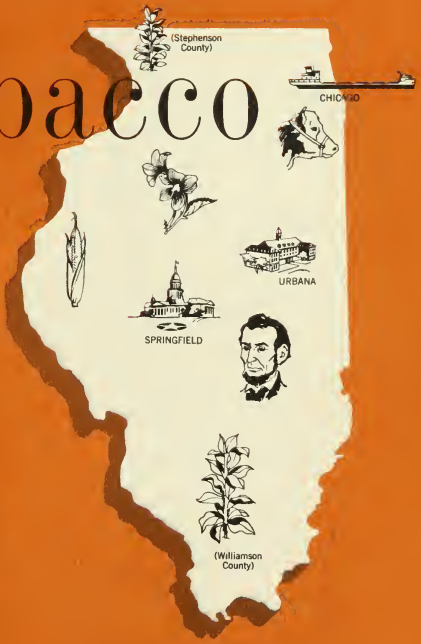
Illinois & Tobacco



SATELLITE SHELVING

SB273
T628
no. 2

A Chapter in America's Industrial Growth

The D. H. Hill
Library
SB273
T628
no.2
North Carolina State

The historical and current relationship of Illinois to the tobacco economy of America is briefly reported in this booklet. Illinois represents one of the major retail outlets in the United States for tobacco products. Included in the state's industrial activity is the production of a considerable volume of machinery and supplies essential to the tobacco industry. These operations give employment to many people. Additional to the economic benefits resulting from such manufacturing and services, the state derives a substantial revenue from the retail sales of tobacco products. Tobacco has had a valuable share in the economic development of the state.

Tobacco History Series

THE TOBACCO INSTITUTE, INC.
910 17th Street, N.W., Washington, D. C.
1960

NORTH CAROLINA STATE UNIVERSITY LIBRARIES

Illinois and Tobacco

For almost a hundred years there stood on various Chicago streets a colorful specimen of native American art. The specimen was a most lifelike wooden Indian. It had been carved by a master craftsman. This unknown artisan reproduced the noble redman in a style intended to inspire respect. But local Chicagoans, while admiring the art, were not awed by the figure's dignified air. To them it was familiarly and affectionately known only as "Big-Chief-Me-Smoke-Em."

Visiting Iroquois Indians, ancient enemies of the Illinois, felt duty-bound to call on the Big Chief. Some of them remembered the original, a sachem of their tribe. Solemnly studying the sculptor's work, they would express approval of his art through nods and grunts. Then

they would go into the shop of the owner and gratefully buy fuel for their pipes.

Big Chief was first on display outside of a tobacconist's shop in 1857. The figure survived the disaster supposedly started by Mrs. O'Leary's incendiary cow—the Chicago fire of 1871. To its Indian admirers particularly, this was dramatic proof of the statue's immortality.

The figure could not, however, survive the city ordinance which exiled wooden Indians from public thoroughfares. It went where all good wooden Indians go: to the happy hunting ground of an industrial gallery. By then the trade the statue symbolized had outgrown the need for such examples of the people's art.

The retail trade grows up

A decade or so before the famed Big Chief made its appearance there were but six tobacco and cigar manufacturers listed in the *Chicago Business Directory,* 1846. At that time the city's population was under 28,000. By 1860 there were 224 entries under cigar manufacturers and dealers recorded in the *Illinois State Business Directory,* the majority of them in the Chicago area. Today, retailers who deal in all manufactured forms of tobacco represent the largest group among the 79,456 outlets in the state. Other sources of supply are through vending machines, armed forces' canteens, clubs and elsewhere.

During the course of operations in the latest year of

record, 1959, these outlets disposed of tobacco goods with a wholesale worth estimated at about $247 million. Of this total, very close to $208 million was represented by cigarettes and over $25 million by cigars. Smokers' articles, pipes, snuff, chewing and smoking tobacco had a wholesale value of around $13.5 million.

Americans, collectively, are the largest consumers of tobacco in any part of the world. As is almost universally true, their preference runs chiefly to cigarettes. More than half the adult population of the United States find a constant pleasure in the quick, light smoke offered through cigarettes. The people of Illinois join extensively in the custom. In 1959, for instance, smokers in the state bought 1 billion 323 million packages of cigarettes.

Tobacco benefits treasury departments

On each package they paid a federal tax of 8 cents. They thus made a substantial contribution to the $1.8 billion collected nationally by the Internal Revenue Service on cigarettes during the 1958/59 fiscal year.

The federal excise is only the initial assessment of a threefold tax on cigarette smokers in Illinois. For, in the same period they paid $39,122,000 into the Illinois treasury. This was the gross tax on cigarettes alone. There is an additional charge to smokers, represented by the state sales tax and some local sales taxes.

The state excise on each 20 cigarettes was first estab-

lished at 2 cents in 1941. It was increased to 3 cents in 1947 and to 4 cents in July 1959. The gross amount collected from the cigarette tax since its inception, by June 30, 1959, came close to $446 million. Formerly, a number of municipalities imposed a cigarette tax but after 1955 such levies were disallowed where a local sales tax was in force.

Cigarette users in Illinois have a high fiscal burden imposed on them for indulging in the most universal of social habits. While enjoying what has been called by psychologists and others "a necessity of modern living," they provide the monetary means for wide benefits to non-smokers and smokers alike. The state's treasury department, through various allocations of cigarette tax collections, has converted this source of revenue to general community improvements. Part of the income from cigarette sales has gone to the reduction of the state's bond indebtedness, a portion of which has been entailed by the veterans' bonus.

Illinois supplies the tobacco industry

In the United States the total of retail sales of tobacco products in 1959 was in the range of $6.8 billion. For the raw material alone, the yields of fine leaf from a half million farms, manufacturers and foreign buyers paid American farmers more than $1 billion. The labor of

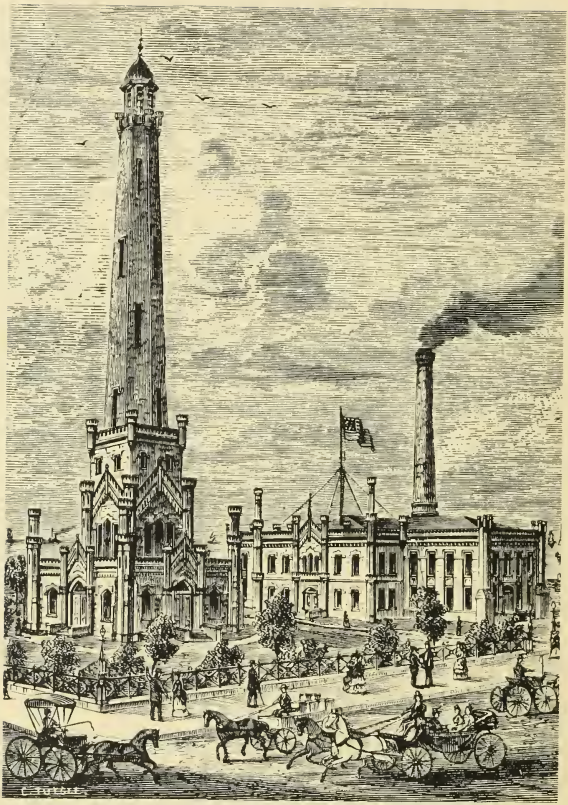
some 3 million people was required in order to produce the billion, 800 million pounds of leaf harvested in 1959.

Various phases of its industrial and commercial activities make Illinois an important segment of the national tobacco industry. In order to meet the consumer demand for tobacco in Illinois, a large labor force is employed. These include, among others, factory and contract workers, suppliers of materials and equipment, wholesalers, distributors, retailers and the personnel in the associated services of transportation, merchandising and advertising.

The broad operations of the national tobacco economy demand a wide range of raw and manufactured materials. The latter requirements are met in large part by numerous firms in Illinois. These supply the industry with such essentials as advertising specialties, agricultural, manufacturing and other heavy machinery, ventilating systems for tobacco factories and other plants, various kinds of paper, aluminum foil, lithography, precision equipment, and packaging materials, to name but a few.

Products for the consumer

One of the major concentrations of cigar manufacturers is in Illinois. The latest figures show 51 registered manufacturers in the state. In the most recent records it is reported that Illinois factories produced over 4 million



The Chicago Water Works in 1878

cigars, chiefly in the 8-15 cents retail class. Other plants turned out more than 2.4 million pounds of chewing tobacco and over 8.5 million pounds of snuff.

The value added to tobacco products through manufacture, according to the latest available report, was $12,132,000. This is the adjusted value of products shipped, less cost of contract work, materials, fuel, electric energy and other production-cost factors.

Tobacco in early Illinois

The growing of tobacco in Illinois was an old agriculture by the time the first settlers, chiefly Frenchmen, reached the territory. Native Indians in the area were members of the Illinois Confederacy, one of the oldest and most important of American tribal associations. Male Indians, who were noted for their stalwart physiques—they called themselves "Iliniweck," that is, "superior men"— were ardent smokers.

Tobacco was, as elsewhere in North America, part of their mythology and their rituals. When one of their number died, his spirit was helped on the journey to the "land beyond the milky way" by sufficient smoking tobacco and, frequently, a calumet pipe.

The native tobacco was not a type that white settlers enjoyed. For their own use they brought in seeds of the good tobacco growing in Virginia, Louisiana and other parts of the South. After a few harvests of the imported

varieties, the Indians abandoned the indigenous, harsh *Nicotiana rustica* to which they had been long accustomed and would smoke only the white man's tobacco.

Tobacco becomes an agricultural industry

Observers in the late 18th century occasionally remarked on the twisted rolls of tobacco *(carottes)* found in Illinois territory. This home manufacture had been started by the French settlers to whom that form of rolling tobacco leaves was familiar. Other visitors commented on the "great quantities of tobacco yearly raised by the inhabitants" for their own use and for the Indians. But, one went on to say, "little has hitherto been exported to Europe." He was writing at a time when Illinois had been annexed to the Province of Quebec. After the War of Independence, it was for a while under the civil jurisdiction of Virginia.

Before the middle of the 19th century Illinois tobacco was finding markets outside the state. In 1844 more than half a million pounds of leaf harvested in Illinois, chiefly in Williamson County, were shipped out via Chicago by Lakes vessels. Seven years earlier, an enthusiastic promoter of the good earth of Illinois had written:

> *Tobacco can be produced in any quantity, and of the first quality, in Illinois; the soil and climate being in every respect congenial to its growth.*

That was in the period when Illinois was beginning to develop its great slaughtering and packing industry and in which many farmers were paying more attention to livestock than tobacco crops. Urbana, later to become the seat of the University of Illinois, for instance, was the subject of a comment applicable to many towns in the state. It had

> *a record of more hogs in the community than people, and the porker had an equal right with citizens to the streets.*

Just before the Civil War the harvest of tobacco was nearly 7 million pounds, worth $623,000. Of this, Williamson County produced a quarter of the total. The average yield in the 1870-1874 period was about the same. The banner year came in 1876 with a harvest of over 11.5 million pounds from 18,313 acres.

Tobacco agriculture began to decline thereafter, although an excellent cigar leaf had been developed in 1863 from experimental plantings in Stephenson County, northern Illinois, conducted by the United States Department of Agriculture. This seed-leaf district produced types growing in Connecticut and Pennsylvania and a variety of Havana Seed locally called "sweet-scented" or "Spanish." Over a million pounds of this type were harvested in 1879. It brought 11 cents a pound, though an earlier crop had sold for 20 cents a pound.

Meanwhile, in the southern part of the state, the "shipping-leaf district," tobacco similar to the heavy

types grown in Kentucky and Tennessee was being produced. A good deal of this went to English, Continental and African markets.

By 1880, however, the opinion was expressed by agricultural economists that not one farmer in ten growing tobacco in southern Illinois was deriving any profit from his labors.

Manufacturing replaces an unprofitable agriculture

Meanwhile, with tobacco agriculture declining throughout the state, the swing to manufacturing of tobacco products was well on its way. By 1880 Illinois held fourth place among the states in the production of cigars, a rank it long maintained. In that year its factories produced more than 132.5 million of the brown rolls from over 3 million pounds of leaf.

From other plants in the same period came nearly 2 million cigarettes, over 2.5 million pounds of chewing tobacco and about 460,000 pounds of smoking tobacco. This production rate was well maintained and within the next decade the total wholesale value of these manufactured goods was placed at about $7 million.

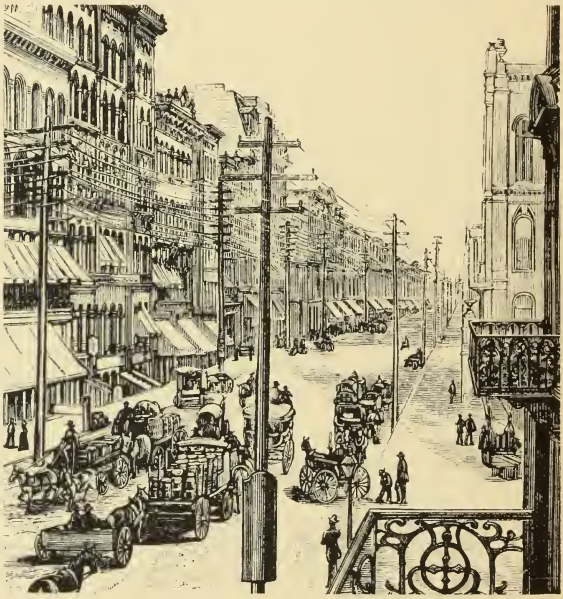
Production was expanding in all the tobacco manufacturing centers of the United States. Finding new and distinctive brand names was a persistent problem and one which was often doubtfully solved. Illinois manu-

facturers in those years were offering chewing tobaccos, for instance, under such labels as *Good Enough, No Profit, Reformer, Luscious,* and *Elegant.* Cigarettes, cigars and cheroots were available if a customer asked for *Bogaboo, Hoosier Hustler, Flew de Coop,* and *General Hobo.* Some of these sales titles hardly seem calculated to inspire consumer confidence or interest – yet the brands sold and in large quantities.

As recently as the early 1920's there were 1,182 establishments in Illinois producing cigars and other tobacco goods. The tobacco industry then ranked third in the state's output from its factories. Within the next decade or so high-speed machinery was installed by the majority of manufacturers. Most of the tedious work of rolling cigars by hand was eliminated and the labor of employees in other tobacco plants was reduced with a consequent decrease in the number of factories.

For the period between 1896 and 1921, Illinois was almost surrounded by states in which prohibitory laws against the sale of cigarettes were in effect. Frequent efforts to include Illinois in the roster of anti-cigarette states were successfully resisted by members of the Legislature. They were well aware that smokers would not willingly relinquish a cherished custom and that restrictive measures were ineffective in other states. This practical attitude was to prove of great value to the industrial community.

Historically, tobacco was useful in the development of Illinois. In the extensive tobacco economy of the United States, the state now holds an important place as both manufacturing producer and consumer outlet. And the people of Illinois, in their purchase of over 26 billion cigarettes in the latest recorded year, have shown that tobacco is a valued part of their pattern of living.



Clark Street, Chicago, in 1877

Data on various phases of the tobacco industry in Illinois have been supplied by the Illinois Cooperative Crop Reporting Service (Department of Agriculture), the Department of Labor, the Department of Revenue, and the Division of Industrial Planning and Development, all of Illinois.

Other data have been derived from publications of the National Tobacco Tax Association, the Tobacco Tax Council (Richmond, Virginia), and various publications of the federal government including "Statistics of Manufacturers of Tobacco compiled from returns of the Tenth Census," J. R. Dodge, and "Report on...Tobacco," J. B. Killebrew, both in *Report on the Productions of Agriculture* (both 1883).

General works which provided valuable information were several volumes in the Fergus Historical Series; *The Industrial State,* Ernest L. Bogart and Charles M. Thompson, and *The Modern Commonwealth,* Bogart and John M. Mathews, both in *The Centennial History of Illinois* (1920); *Illinois, A Descriptive and Historical Guide,* Federal Writers' Project of the WPA (1947). The first quotations on page 8 are from *The Commerce of America with Europe,* De Warville and Clavière, trans. by Joel Barlow (1795); the second passage is from *Illinois in 1837,* anonymous (1837); that on page 9 is from *Illinois . . .* Federal Writers' Project of the WPA (1947).

Permission to quote directly from this booklet is granted. Additional copies will be made available without charge upon request to The Tobacco Institute, Inc. 910 17th Street, N.W., Washington, D. C.